

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:

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ISAIAH SOLOMON

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Case No. 2009-0379

Respondent.

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CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted by Section 11-701 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2007 Repl. Vol. & 2009 Supp.) (the “Act”), conducted an investigation of the Respondent, Isaiah Solomon (“Respondent” or “Solomon”); and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the “Commissioner”) has determined that Respondent has engaged in acts or practices constituting violations of Sections 11-301, 11-302 and 11-501 of the Act; and

WHEREAS, without holding a hearing and without trial or adjudication of any issue of fact or law, and prior to the initiation of any formal proceeding, the Commissioner and Respondent have reached an agreement to resolve this matter; and

WHEREAS, Respondent, without admitting or denying any conclusion of law, except that respondent expressly consents to the Commissioner’s jurisdiction in this proceeding pursuant to Section 11-701.1 of the Act, to the Commissioner’s findings of fact, and to the terms of this Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order.

NOW, THEREFORE, THE COMMISSIONER FINDS:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction in this proceeding pursuant to Section 11-701.1 of the Securities Act.

II. RESPONDENT

2. Respondent resides and worked in Mitchelville, Maryland. He was a registered broker-dealer agent of NY Life Securities LLC (“NY Life”) from January 17, 1985 until December 14, 2009.

III. FINDINGS OF FACT

3. On February 19, 2007, the Commissioner filed a complaint against John Williams (“Williams”), and entities operated by him, LaJon Capital Fund LP, LaJon Capital Advisors LLC, LaJon Corporation, and LaJon Capital Management (hereinafter referred to as “LaJon”), asserting violations of sections 11-301, 11-302, 11-303, 11-401, 11-402, and 11-501 of the Act.

4. In case # CAE07-04436 in the Prince George’s County Circuit Court, Williams and LaJon have been found liable for violating the Act in connection with offering and selling unregistered securities in hedge funds, offering and selling securities through unregistered broker-dealers and unregistered agents, including violations of the antifraud provisions of the Act, violation of the investment adviser registration provisions, fraud in investment advisory activities, violation of performance fees prohibition, and causing a false filing with the Division.

5. Between April 2006 and November 2006, Respondent sold or caused to be sold to fourteen Maryland residents (collectively “Investors”) investments in foreign exchange

currencies and/or unregistered hedge funds offered by LaJon (the “LaJon Funds”) in the amount of \$752,238.73.

6. Many of Respondent’s Investors refinanced their homes and drew from their savings to make the investment into the LaJon Funds.

7. Respondent was not a registered broker-dealer agent with LaJon.

8. As a requirement of his employment with NY Life, Respondent underwent regular audits by NY Life. NY Life reviewed client files as part of its audit. Most of Respondent’s clients who invested in the LaJon Funds were also clients of NY Life. Respondent segregated information about the LaJon Fund investments from his NY Life files. As a result, NY Life was unable to detect Respondent’s outside business activity when it performed its audits.

9. During the audits, Respondent was required to disclose his outside business activities. On December 5, 2006, Respondent was audited by NY Life. He was asked in a written questionnaire “do you understand and comply with the requirement that **you may not participate in any way** in the sale of securities, public offerings or private placement [sic] for any firm or organization other than NY LIFE Securities (this includes referrals)?” Respondent checked off that “yes” he understood this. He did not disclose his sale during the prior year of over \$750,000 in the LaJon Funds and denied having any outside business activities other than insurance sales.

10. As a condition of his employment, Respondent also was required to update and seek approval for all outside business activity from NY Life. Respondent never disclosed his relationship with the LaJon Companies. Respondent also failed to update his Form U4 with the Maryland Securities Division to disclose his sale of the LaJon Funds.

11. LaJon is in receivership and Williams has filed for bankruptcy. It is unlikely that Investors will receive much of their investment back.

12. Solomon personally invested \$50,000 in the LaJon Funds and received approximately \$8,600 from LaJon.

IV. CONCLUSIONS OF LAW

THE COMMISSIONER, THEREFORE, CONCLUDES AS A MATTER OF LAW:

13. The investments sold by Respondent are investment contracts and, therefore, securities as defined by Section 11-101(r) of the Act.

14. Respondent violated Section 11-501 of the Act by offering and selling securities that were neither registered nor exempt from registration in Maryland and that were not federal covered securities.

15. Respondent violated Sections 11-301 and 11-302 of the Act by engaging in an act, practice or course of conduct which operated as a fraud on investors in connection with the sale of securities and while providing investment advice.

V. SANCTIONS

Respondent, on behalf of himself, his successors, assigns and all persons acting or purporting to act on his behalf or by his authority, does consent and it is hereby ORDERED:

A. Respondent shall permanently cease and desist from offering or selling securities in violation of Section 11-501 of the Act.

B. Respondent shall permanently cease and desist from violating Sections 11-301 and 11-302 of the Act by engaging in an act, practice or course of conduct which operated as a fraud on investors in connection with the sale of securities and while providing investment advice.

C. In the event Respondent files an application for broker-dealer agent registration, and the Division determines Respondent is eligible for registration, he shall be subject to special supervision approved by the Commissioner, for a period of not less than two years from the time he is placed under special supervision, by any broker-dealer through whom he is registered. In connection with that special supervision, Respondent shall be prohibited from serving in any supervisory capacity and shall not engage in any outside business activity without obtaining prior written approval from his firm.

D. Respondent also shall pay a civil monetary penalty in the amount of \$752,238.73. In light of the Respondent's sworn financial statement, collection of the civil monetary penalty is waived by the Commissioner.

E. Respondent shall in all future activities in Maryland comply fully with the Act and regulations promulgated thereunder.

VI. CONSEQUENCES OF VIOLATING CONSENT ORDER

16. If Respondent fails to comply with any term of this Consent Order or if his sworn financial statement is misleading in any material respect, the Division may institute administrative or judicial proceedings against Respondent to enforce this Consent Order or to sanction the Respondent for violating an Order of the Commissioner, and may take any other action authorized under the Act or any other applicable law, including the issuance of fines or penalties as provided by the Act. For the purpose of determining those sanctions, the Findings of Fact and violations of the Act set forth in this Consent Order shall be deemed admitted, and may be introduced into evidence against Respondent.

VII. MODIFICATION OF CONSENT ORDER

17. The terms of this Consent Order may only be modified by a subsequent order issued by the Commissioner.

DATE OF THIS ORDER:

September 7, 2011

SO ORDERED,

**Commissioner's Signature is
on File with Original Document**

Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

_____/S/_____
Name: Isaiah Solomon

On this ____ day of _____, 2011, personally appeared Isaiah Solomon signer of the foregoing Consent Order, who did duly acknowledge his signature to be his free act and deed.

Notary Public

My Commission Expires: _____

Seal: